

What is claimed is:

- 5 1) An external method of revenue allocation for sales of products and services from a virtual inventory comprising:
  - a. Providing a software settlement system that allows retail parties the ability to reduce their transaction cost once a customer electronically purchase an item from an inventory;
  - b. purchasing a item from a website;
  - 10 c. requesting credit approval and upon approval funds are transferred into a merchant account, or series of merchant accounts;
  - d. processing and automatically calculating simultaneously the exact remuneration due to each party to the transaction;
  - e. creating an account to remit the appropriate funds; and
  - 15 f. directing the transfer of the appropriate funds to each party of the transaction at the appropriate time.
- 20 2) The method according to claim 1, whereby the software settlement system can be network-based.
- 3) The method according to claim 1, whereby the settlement system can be used by ecommerce trading partners.
- 25 4) The method according to claim 1, whereby the purchase of an item can be made with a credit card, cyber cash, check, or other fiduciary instrument.
- 5) The method according to claim 1, whereby the automatic calculation based on a set of pre-established business rules or agreements, where these relationships are stored in a database on at least one server.
- 30 6) The method according to claim 5, whereby said database may be of any type of data repository including SQL or ASCII.

- 7) The method according to claim 1, whereby the transfer of funds to the appropriate party is performed electronically.
- 8) The method according to claim 1, whereby the requesting of the credit authorization comprises communicating with a server based on a link defined by said web site to obtain the credit approval for the transaction.
- 9) The method according to claim 7, whereby an appropriate party can be the online merchant.
- 10) The method according to claim 7, whereby an appropriate party can be the product manufacturer or service provider.
- 11) The method according to claim 7, whereby an appropriate party can be the shipping agent.
- 12) The method according to claim 7, whereby an appropriate party can be the federal, state or local taxing authority.
- 13) A web-based external accounts settlement system comprising:
- Means for creating electronic virtual accounts for a multiplicity of parties to an online transaction
  - Means for transferring the proceeds of an electronic commerce transaction via the network into the appropriate virtual bank account
  - Means for providing periodic account and transaction statements to the multiplicity of parties to an online transaction
  - Means for calculating the amount of the transaction proceeds of an electronic commerce transaction that each of the multiplicity of parties to that transaction is entitled to.
- 14) The apparatus of claim 13, wherein said transfer of the transaction proceeds comprises using an ACH system.

15) The apparatus of claim 13, wherein the network system is controlled by an interactive programming language (software), installed on the system operator's server and accessible by a remote site(s).

5 16) The apparatus of claim 13, wherein said interactive programming language comprises the Java® and C++ programming languages.

10 17) The apparatus of claim 13, wherein said calculation is based on a series of contractual and business agreements, with these relationships stored in a database in at least one server.

18) The apparatus of claim 17, wherein said database may be of any type of data repository including SQL or ASCII.

15 19) A computer program product for use with a computer, said computer program product comprising a computer usable medium having computer readable program code embodied therein providing means for transferring proceeds from an electronic commerce transaction simultaneously to all of the multiplicity of parties involved in the transaction, decreasing the joint-overhead in the transaction cost, further providing a means for creating  
20 "virtual accounts" on the network for the transaction proceeds to be transferred to, on a real time or a quasi real time basis, and means for calculating the percentage of the transaction proceeds entitled to each of the multiplicity of parties to the transaction.

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